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SUBJECT: INITIAL GROUNDWORK FOR APP IN DANANG

REF: State 158624

11. (SBU) Summary: On September 28, the Charge discussed USG interest in opening an American Presence Post (APP) in Danang with MFA Americas Department Acting Director General Pham Van Que. Earlier in September, an Embassy team looked at potential locations in Danang for the APP. Among the three recommendations listed below, the first recommendation stands out as the most suitable space for the APP. End Summary.

Noncommittal Reaction by MFA

- 12. (SBU) On September 28, the Charge discussed USG interest in opening an APP in Danang with MFA Americas Department Acting Director General Pham Van Que. The Charge explained the Secretary's initiative to place individual U.S. diplomats in large cities currently without a U.S. diplomatic presence. After a review of possible candidates around the world, Vietnam was selected as a desirable host country. The Charge noted that his was an initial approach, as additional action is necessary within the USG to finalize the concept, but the USG would like Vietnam's reaction to the idea of a small U.S. consulate office in Danang.
- 13. (SBU) Que listened intently, but noncommittally, to the proposal. He noted that the idea, if brought to fruition, could factor into the President's November visit, but doubted there would be enough time to reach an agreement. The Charge clarified that the APP is still in the planning stage, and that he was not raising it as a deliverable for the President's trip. Que asked for a list of countries already hosting APPs, which the Charge promised to provide. Que also sought clarification on whether the APP in Danang would be a consulate or part of the Embassy, and was told it would be separate from the Embassy.
- $\underline{\ }$ 4. (SBU) The Charge will meet again with Que on October 10, and will seek further GVN reactions at that time.

Results of Danang Office Space Survey

15. (SBU) GSO, DS Physical Security Specialist (DS/PSD/PCB) Charles Light and GSO Assistant visited Danang September 13 and 14. The team toured the city and looked at five potential locations for the APP site. GSO previously worked regularly at APP Winnipeg, Canada. Based on the criteria provided in Reftel and GSO's previous experience at APP Winnipeg, post recommends three potential sites in rank order, with a possible fourth recommendation subject to a favorable follow-up visit.

First Recommendation

 $\P6$. (SBU) 10th Floor of the Cienco 5 Tower - USD 11.00 per square meter or USD 2420.00 per month. Located in the heart of Danang, the Cienco 5 tower is adjacent to Danang University. The building is in close proximity to several leading government complexes including the central committee headquarters, the city sports "palace" and the

city municipal building. The tower is approximately two kilometers from Danang International Airport. Currently colocated in the building are the Cienco 5 Construction Company, Manulife Insurance, Castrol Oil Co. and the Taiwan-based Yang Ming Shipping Co. representative offices.

17. (SBU) The 10th floor has an area of 220 square meters separated into three functional zones. There are four elevator cars serving the floor, two on either side. A large potential Central Access Control (CAC) exists directly off one of the elevator banks, followed by a spacious reception area. A large potential conference/multipurpose space with panoramic views of Danang's harbor highlight the space. Two ample terraces would provide break areas or nice venues for entertaining. To the right of the office is a potential Principal Officer's work space adjacent to a spacious common office area which could serve both a locally employed (LES) receptionist and a Pol/Econ LES. Men's and women's toilet facilities exist. The fit and finish of all spaces is adequate. An underground parking facility with ample parking is available. The garage has a steel door controlling access in place at this time. A 320 KVH emergency power generator is in place.

Second Recommendation

¶8. (SBU) Hoan An Zai Lai Building - USD 14.50 per square meter or USD 3190.00 per month. A new 22-story building currently under construction, the building is projected to open in March 2007. This timetable appears ambitious. Each floor of this modern office tower is projected to be 870 square meters. Based on APP Winnipeg, an entire floor of the building would too much space for post needs. Collocation would substantially increase physical security costs. The location is good, in close proximity to the Danang city center. The site is located one kilometer from the airport.

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Third Recommendation

- 19. (SBU) Nhat Linh Da Nang Complex USD 12.00 per square meter or USD 2640.00 per month. A brand new, primarily retail complex located near a large "Metro" superstore, the Naht Linh building would be an excellent location for a retail use. Security upgrades for this location would be very difficult and the venue is not appropriate for USG programs and activities.
- 10. (SBU) A fourth potential location, now under construction, has been identified for consideration. A complete assessment of this location was not possible during the site survey trip. It will be evaluated during a follow-up trip and added to the list of recommended sites if found suitable.
- 111. (SBU) GSO and DS/PSD/PCB both agreed the Cienco 5 building was head and shoulders above the competition. It should be noted that other new construction projects were underway at the time of the visit. Several were slated for occupancy by GVN entities or Communist Party organs and would, therefore, be incompatible with an APP. Photos of the three locations described above will be sent to post's PMO via email.

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